Jewel Companies, Inc.

1975 Annual Report

Results in Brief

Jewel Companies, Inc.

(Dollars in thousands except per share figures)	Fiscal Year 1975 Amount	1975 %	Fiscal Year 1974 Amount	1974 %	% Increase 1975 over 1974
Sales:					
Supermarkets	$2,065,879	73.3%	$1,905,114	73.3%	8.4%
General merchandise stores	565,921	20.1	502,439	19.3	12.6
Other sales and revenues	185,954	6.6	191,360	7.4	(2.8)
Total sales	$2,817,754	100.0%	$2,598,913	100.0%	8.4
Net Earnings for the Year	$ 28,692		$ 30,230		
Return on total sales	1.0%		1.2%		
Return on shareholders' average equity	9.8%		11.0%		
Common Shares Outstanding–Average (000's)	11,452		11,381		
Earnings Per Common Share	$ 2.50		$ 2.65		
Dividends Paid Per Common Share	1.20		1.15		
New Property, Plant and Equipment (net):					
Jewel Companies, Inc.	$ 43,629		$ 55,065		
Real estate affiliates	9,927		22,760		

	Jan. 31, 1976	Feb. 1, 1975
Working Capital	$ 93,543	$ 92,403
Ratio of Current Assets to Current Liabilities	1.5 to 1	1.5 to 1
Shareholders	14,746	14,324
Employees (full-time equivalents)	34,985	35,256

Copies of the Company's Annual Report (Form 10K) filed with the Securities and Exchange Commission may be obtained without charge upon request to Secretary, Jewel Companies, Inc., 5725 N. East River Road, Chicago, Illinois 60631.

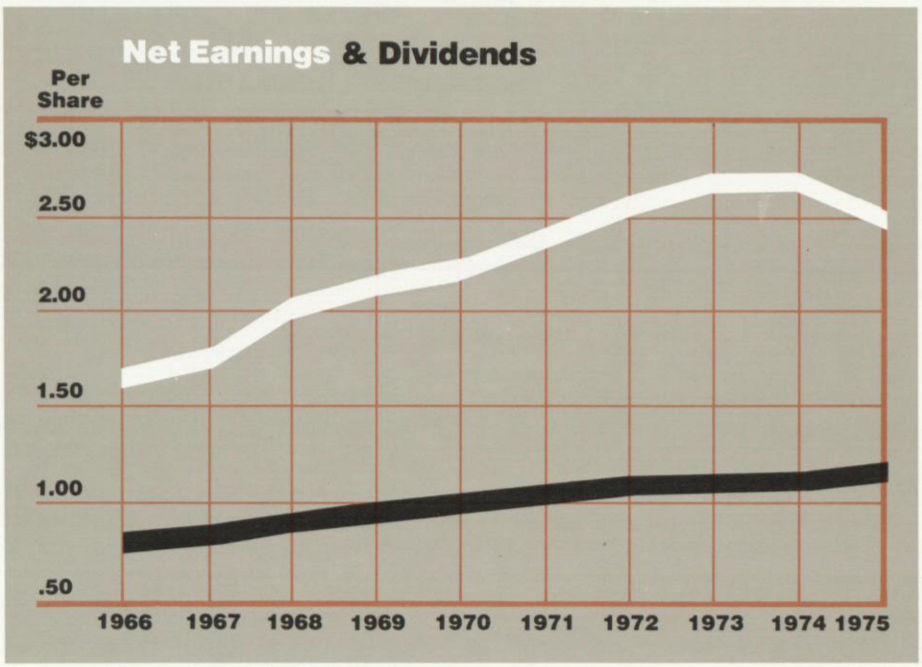
1975 Report from Jewel's Chairman and President

1975 can at once be described as a year of disappointment and a year of satisfaction—disappointment that the Company's annual earnings declined for the first time in twelve years; satisfaction that the strengths of diversification and of resourceful people produced results in other divisions and investments of the Company that substantially offset the serious earnings decline of the Jewel Food Stores.

Jewel's sales for 1975 totaled $2,817,754,000, an increase of 8.4% over 1974. This was the thirty-second consecutive year the Company's sales have increased. Sales in identical units increased 4.4%, with new retail space contributing the remainder.

Net earnings for the year amounted to $28,692,000 or $2.50 per share, compared with $30,230,000 and $2.65 per share in 1974, a decline of 5%. Dividends paid in 1975 were $1.20 per share, up 4% over 1974.

Last year's Report noted that the major problem areas of the Company in 1974 had been or were in the process of being corrected. Through 1974, earnings of the Jewel Food Stores had increased for 13 consecutive years. Thus we felt confident that 1975, to the extent the nation's economy permitted, would be a year of satisfactory progress for Jewel Companies. In fact, improvements we expected in several of our companies were generally achieved. In 1975, earnings in each of the Jewel companies increased over 1974 except for Jewel Food Stores and for a moderate decline in Eisner Food Stores.



The Achievements of 1975

Buttrey Food Stores, now with 42 stores, continued to achieve results in 1975 which place it among those supermarket operations with superior earnings results in the United States. Star Markets' 61 stores had an excellent year with good improvements both in sales and earnings. Eisner, in both its 35 supermarkets and in its 50 agency stores, had a good sales year and increased earnings in its established Illinois markets. The Eisner stores in Indiana, of which eight are in Indianapolis, were a greater drain on earnings.

White Hen Pantry people spent the year consolidating and strengthening their operations. After several years of rapid growth, 1975 was the year to close weak locations and to concentrate on building sales and on strengthening franchising. Earnings from this division improved dramatically and White Hen Pantry is now a solidly profitable operation.

Brigham's is another of the Jewel companies that concentrated in 1975 on improved results from existing operations, with only modest growth in new restaurants. During the year, three additional Brigham's shops were remodeled in the contemporary style introduced in 1972. Emphasis continued to be placed on systems improvements, on training and on operations in general. As a result, earnings substantially exceeded those of 1974.

For the 55th consecutive year, Jewel's Direct Marketing Division was profitable. Earnings gained substantially over 1974 with sales up only slightly. Manufacturing operations continue to be a major strength. Through the Park Corporation, manufactured items are now being sold to 213 companies outside of Jewel. In the past three years, the Direct Marketing management reduced net assets of this division 25%, contributing importantly to the cash flow of Jewel Companies, Inc.

Mass Feeding Corporation continued to make good progress in 1975, servicing 886 elementary and junior high schools, up from 635 schools serviced in 1974.

In past Reports, we have described our efforts to streamline the Company's various general merchandise businesses, leading to the consolidation of the several companies into one—Osco Drug, Inc. While we will continue to operate a variety of general merchandise stores under their distinctive names, the formation of one overall company enables us to eliminate duplication of functions and to make more effective use of the very talented people who make up Osco, Republic Lumber and Turn*Style. In 1974, the Jewel Marketing Company was formed as a transitional vehicle for combining major buying, personnel, real estate and construction, advertising and other services. These functions have now been departmentalized within Osco Drug, Inc., serving all of Jewel's general merchandise stores.

General merchandise results for 1975 were significantly better than in any year in our history and net earnings were more than double those in 1974. While sales throughout much of the year were softer than we had hoped for in those parts of the country with particularly severe unemployment, the Christmas season was relatively strong. However, the strong earnings improvement is attributable more to problem solving than it is to sales gains.

The difficulties which plagued Turn*Style in 1974, such as excessive inventories and the catalog showroom experiment, were not replaced with new problems. The Turn*Style stores were given greater local autonomy and some management talent, experienced in decentralized operations, was transferred from Osco to Turn*Style stores. Other equally talented people already in the Turn*Style organization responded to the new approach in gratifying fashion. Thus, the Turn*Style stores reversed their 1974 losses and produced earnings ahead of budget.

Osco Drug stores had an excellent year, achieving their best single-year earnings improvement ever. The outlook for the future is bright as nearly 30% of our drug store space is no more than three years old and has yet to fully mature in sales and earnings.

Republic Lumber made progress in 1975 in reducing losses, particularly in the retail stores. The garage construction division has not been promising and at the end of the year it was decided to liquidate this operation. Costs of the liquidation were absorbed in 1975 with no significant effect on earnings. We have confidence in the home improvement retail concept and expect current progress to continue to the point that will justify further investment in Republic Lumber stores.

Jewel's Investment in Aurrera... Mexico's Largest Retailer

Jewel's 48.9% interest in Aurrera, S.A. represents an unusual opportunity to participate in and contribute to the growth of a truly remarkable diversified Mexican retailer.

Aurrera sales in the twelve months ended January 31, 1976 were $405,665,000 and were up 40.3% over the prior year. Net earnings of $18,080,000 exceeded the previous twelve months by 58.1%. Net dividends received from Aurrera by Jewel in fiscal 1975, after a 20% Mexican withholding tax, totaled $7.0 million, including a special dividend of $3.1 million declared October 7, 1975.

Aurrera is diverse and successful in each of its distinctive retail businesses. Thirty-four Superama supermarkets, 12 Aurrerama discount stores, 25 VIPS restaurants, 4 Suburbia fashion apparel stores and 9 Bodegas discount food and general merchandise warehouse stores are currently in operation. Most are in or near Mexico City although units are operating in Puebla, Toluca and Acapulco. It is expected that two Aurreramas, three Superamas, three VIPS, one Suburbia and one Bodegas will open in 1976.

It is clear from the success of Aurrera that its management has developed a reputation for quality, price, fashion and service which has made its stores highly attractive to the fast growing Mexican population. As an illustration that its sense of timing has been excellent, Aurrera has opened large stores with parking lots at a time when car ownership has been growing dramatically along with rising Mexican income levels. In that sense, its growth is reminiscent of self-service retailing growth in U.S. markets only a generation or so ago.

A small investment was made by Jewel in Aurrera in 1965, only eight years after the opening of the first Aurrera retail unit in 1957. A more substantial investment made in 1969 raised Jewel's stock ownership to about its current level, with the remainder of the shares owned by Mexican nationals. To fully comply with that nation's Mexicanization law, 51% of the shares of Aurrera (Class A shares) bear a legend requiring that they be owned only by Mexican citizens. Jewel owns 48.9% of Aurrera shares, all of which are Class B shares and can be owned by Mexican or non-Mexican citizens. For all other purposes, Class A and Class B shares are equivalent.

Jewel's investment in Aurrera has obviously been rewarding thus far and shows con-

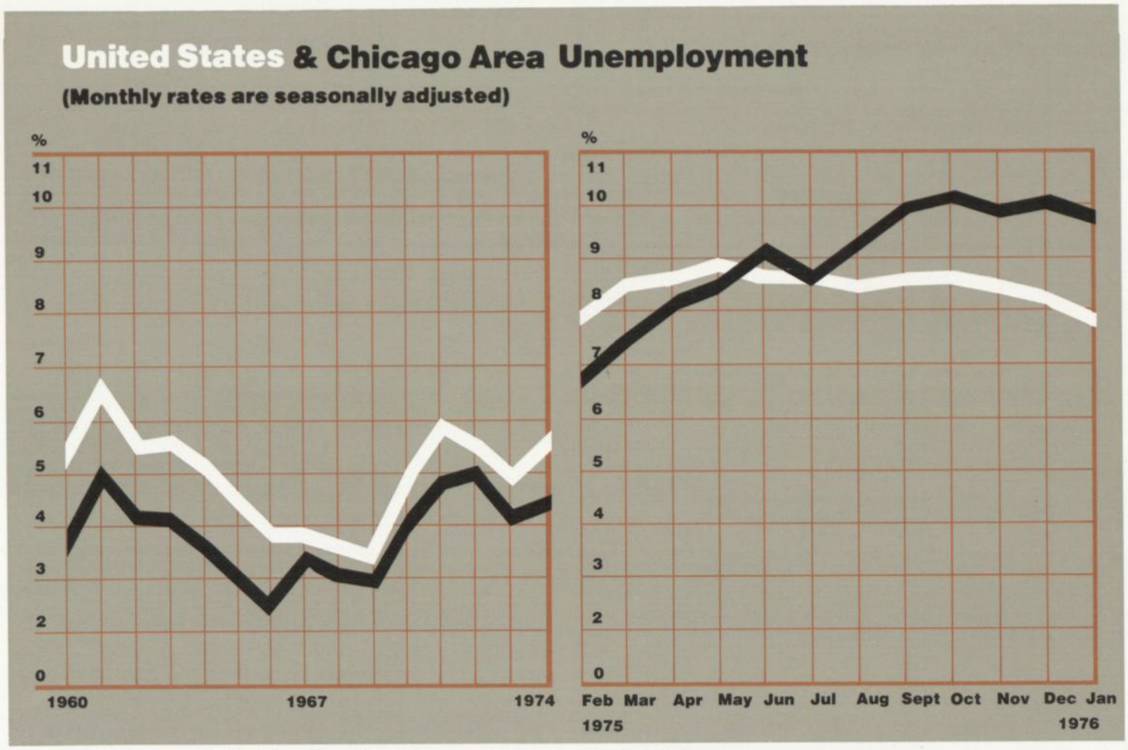
tinued promise for the future. Of considerable importance, too, has been the wide exchange of ideas and experiences between the managements of Aurrera and Jewel as each tries to be the quality and value leaders in their respective countries.

The Problems of 1975

If the Jewel Food Stores 1975 earnings had equaled 1974, net earnings for Jewel Companies, Inc. would have been $.86 per share higher than reported earnings of $2.50. Near the end of the first quarter, in April, 1975, the so-called Chicago price war was initiated by a competitor. We responded, expecting, as previously reported to you, to be able to achieve sales increases greater than being experienced which, combined with careful expense management, would restore the Jewel Food Stores positive historic earnings trend. This has not yet been achieved. The need for increased sales to lessen the impact of the price war was made more difficult as consumer demand for food shrank as unemployment in Chicago, for the first time in memory, exceeded the national average.

The accompanying charts show the unusual Chicago unemployment trends of late 1975. Further, as the year continued, food price inflation in Chicago moderated to a point that in January, the last month of our fiscal year, the average price per pound of groceries sold was less than January of 1975 by .7%. While this was good news for our customers, inflationary increases continued in our costs for wages, utilities, supplies and occupancy.

With the benefit of hindsight, it isn't surprising that in this climate, such a highly competitive business as food retailing responded with increased price activity. There is reason to believe that as a minimum we have maintained our relative sales position in Chicago. However, to the extent that the unrealistic pricing activity continues into 1976, we will suffer in year-to-year earnings comparisons until we have completed a full year of this activity toward the end of our first quarter. Even under these circumstances, the long-term need to maintain Jewel's reputation for service and value with our customers has and will continue to supersede even our very considerable current concern for an adequate return on investment. In the meantime, Jewel Food Store people are proving that their inner strength can withstand even so dramatic a setback and are optimistic about the future.

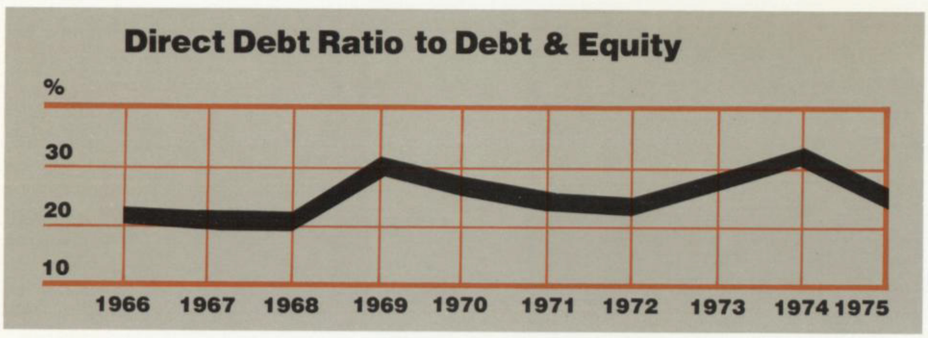


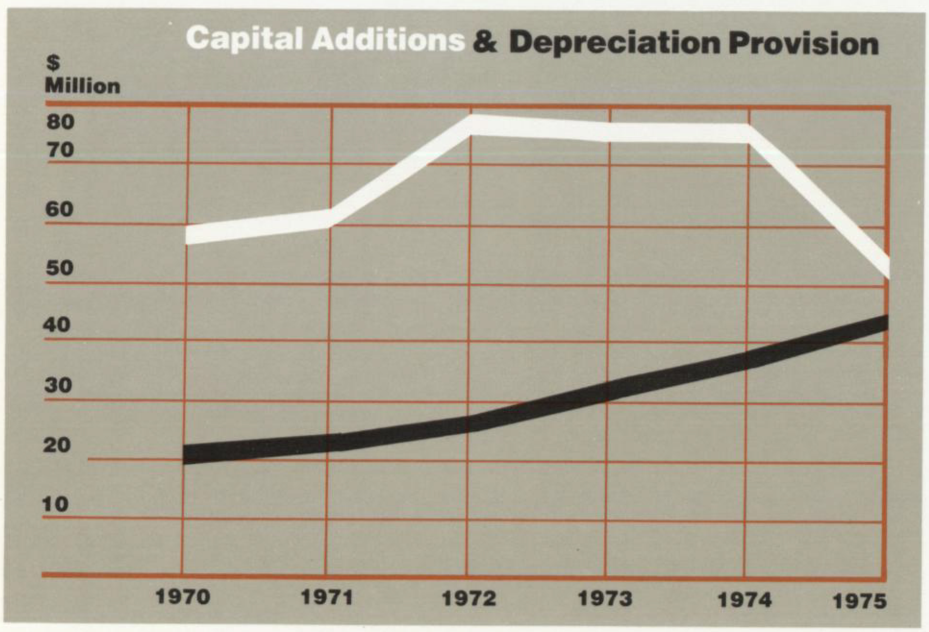
Sources: U.S. Bureau of Labor Statistics, Illinois Bureau of Unemployment Statistics

Update on Milwaukee and Indianapolis

In the closing weeks of the 1975 fiscal year, two new stores were opened in the city of Milwaukee, one a 50,000 square foot Grand Bazaar and the other a 35,000 square foot supermarket, the latter in an inner-city neighborhood. Sales at each location are strong and we believe that these additional units will add considerably to the public's awareness of Jewel in the market. We now have a solid, experienced management team for our 14 Wisconsin stores and total sales are on a positive trend. While it is disappointing not to be earning a profit, our optimism about our future in Milwaukee seems better based in fact now than at any time in the past.

Jewel operates 600,000 square feet of retail space in Indianapolis—eight Eisner Food Stores, five Osco Drug stores and three Turn*Style discount department stores—first having entered the market in 1970. Sales have been growing at a satisfactory rate, but the competitive activity in the market, both in food and general merchandise, has made it difficult to achieve our earnings targets. The most critical appraisal that we have been able to make of our facilities tells us that our stores are as good as, and in some respects better than, any being operated in the market. Our challenge has been one of gaining distinctiveness in an environment of abundant and good competition. We have outstanding people in the Indianapolis stores and a well-balanced, resourceful and experienced management team who are developing new strategies for this challenging market which, we remain confident, will make our investment pay off over time.





Strengthening the Balance Sheet

One of the major challenges which Jewel people accepted in 1975 was that of substantially improving the Company's balance sheet. We are proud of what was accomplished in this respect.

At the year's end, week's stock of inventory in our general merchandise companies declined 12% from a year ago. Consolidated inventories increased 3.9% in comparison with a sales gain of 8.4% for the year. Additionally, accounts receivable decreased $2.6 million; short and long-term debt (excluding real estate affiliates) decreased $30 million; and cash and marketable securities increased $4 million. All of these factors contributed to a desirable improvement in corporate liquidity. At the end of 1975, the ratio of debt to total debt and equity (excluding real estate affiliates) was 25.5%, a reduction from 31.9% a year earlier.

Growth Investment Continues

Consistent with the Company's balance sheet objectives, the capital outlay for property, plant and equipment was somewhat more modest than in any of the prior three years. We continued the strategy of investing principally in established markets and established businesses. During 1975, Jewel companies opened 36 new stores and enlarged 14 stores for a gain of 944,000 square feet of new space, as shown in this table:

Business Area	New Stores	Enlarged Stores	Total Square Footage Added
Supermarket	14	10	574,000
Drug Store	13	1	241,000
Turn*Style	1	—	106,000
Convenience Food	7	—	16,000
Restaurant	1	3	7,000
Total Added Space			944,000

Some obsolete and non-productive units were closed: 16 supermarkets, 10 drug stores, 3 restaurants and 13 convenience stores, a total of 348,000 square feet.

Our capital investment plan for 1976 will approximate $45 million. There are no plans for substantial investments in other than current markets.

Management and Director Changes

In June, 1975, Mr. Lawrence Howe was elected Executive Vice President and General Counsel of Jewel Companies, Inc. We are fortunate to have attracted Mr. Howe, a distinguished attorney whose experience includes not only private practice but a senior management position in a leading corporation.

Three Directors who have contributed greatly to Jewel Companies over the years left the Board of Directors during the year. Stanley R. Miller, a partner in Goldman, Sachs & Co., retired from the Board after 21 years of service in accordance with the Directors' retirement policy. John M. Mugar, for 44 years a contributor to the growth of Star Markets, and for 13 years a Director and contributor to Jewel, remains available for counsel to Star and Jewel people although he no longer plans to devote full time to the Company. Stephen M. DuBrul, Jr., formerly a partner of Lazard Freres & Co., resigned as a Director in December, 1975, after 10 years of service, when he was confirmed by the United States Senate as President Ford's appointee to be Chairman and President of the Export-Import Bank. Jewel has indeed been a fortunate company to have had such talents as these on its Board of Directors.

Jewel now has a Board of 14 members with the addition of Karl D. Bays, Chairman of the Board of American Hospital Supply Corp., who was elected by the Board in September, 1975. A description of the Jewel approach to Board contribution and trusteeship begins on page 10.

Outlook

We have attempted in this Report to be totally candid, and we have described for you the major problems with which we are coping. However, nothing we have said should lead anyone to conclude that we are other than proud of the way in which Jewel people worked incredibly hard in 1975 in an unusual and almost unprecedented climate. There is a certain hurt to our pride when an eleven-year record of increasing earnings is interrupted. Jewel people, however, have even greater pride in the reputation of their Company and in its being a leader in its endeavors. Thus, there is a wholehearted commitment among Jewel people to resolve those unusual challenges that were created last year and which still face us in 1976. With improvement in Chicago's unemployment and price war problems, Jewel could find 1976 as a year of good profit progress. However, even with a continuation of the 1975 Chicago climate, we look for a satisfactory year. Adverse profit comparisons of the first quarter of 1976 with the first quarter of 1975, which preceded price war activities, will occur but should be reversed in the final three quarters of the year.

In this year more than in most, we have continued strong reasons to be grateful for the enthusiasm, determination, intelligence, hard work and loyalty of people throughout the Jewel companies. We wish to take this additional opportunity to express our thanks to every one of them.

D. S. Perkins
Chairman of the Board

W. R. Christopherson
President

The Growing Jewel Companies

Brigham's

	1975	Plan 1976
Stores—beginning of year	105	103
New stores added	1	4
Stores closed	3	2
Stores—end of year	103	105
Average age (years)	9	
Store area		
(average square feet)	2,800	
(range, square feet)	1,100-7,100	

Brigham's has a 60-year-old reputation for quality ice cream/candy parlors and sandwich shops and is a Boston "institution." Central manufacturing of ice cream and candy insures the highest quality.

Buttrey Food Stores

	1975	Plan 1976
Stores—beginning of year	41	42
New stores added	1	3
Stores closed	—	—
Stores—end of year	42	45
Average age (years)	9	
Store area		
(average square feet)	24,100	
(range, square feet)	5,600-39,400	

Buttrey Foods joined Jewel in 1966. Headquartered in Great Falls, Montana, its 42 stores serve Idaho, Minnesota, Montana, North Dakota, Oregon, Washington and Wyoming. High quality and decentralization of management responsibility are key to Buttrey Foods' operations.

Direct Marketing Division

	1975	Plan 1976
Routes—beginning of year	1,508	1,445
Routes added	1	—
Routes closed	64	70
Routes—end of year	1,445	1,375
Customers served	525,000	

The first Jewel company (founded in 1899 as the Jewel Tea Co.), the Direct Marketing Division, covers 40 states plus the District of Columbia. Its 1,445 routes offer a wide array of grocery and general merchandise products for in-home shopping. Manufacturing operations are a significant part of this company. Over 200 companies buy products made at the Barrington, Illinois, plant.

Eisner Food & Agency Stores

	1975	Plan 1976
Stores—beginning of year	35	35
New stores added	2	1
Stores closed	2	3
Stores—end of year	35	33
Average age (years)	11	
Store area		
(average square feet)	21,000	
(range, square feet)	9,700-28,800	
Affiliate stores	50	50

Eisner Food Stores, which joined Jewel in 1957, is headquartered in Champaign, Illinois. Eisner operates 35 supermarkets in Central Illinois and Indiana. Eisner also franchises 50 independent store owners (mostly in smaller towns) through its Agency Division.

Jewel Food Stores

	1975	Plan 1976
Stores—beginning of year	252	249
New stores added	10	10
Stores closed	13	11
Stores—end of year	249	248
Average age (years)	8	
Store area		
(average square feet)	26,100	
(range, square feet)	8,800-66,000	

Dating back to 1932, Jewel Food Stores today serves the greater Chicago area, Western Illinois, Northern Indiana, Lower Michigan and Southern Wisconsin with 249 stores. Featuring shop presentations of such products as pastry, sausage and prepared foods, most Jewel stores combine food and general merchandise. The Grand Bazaar store is Jewel's newest supermarket concept.

Mass Feeding Corporation

	1975	Plan 1976
Schools serviced	886	1,020

A Jewel investment in 1970, and a full-fledged Jewel company in the spring of 1974, MFC is headquartered in Franklin Park, Illinois. This company has developed a specialized approach in frozen meal preparations for feeding elementary and junior high school students, principally in the Midwest and Atlantic states.

Osco Drug, Inc.

OSCO DRUG	1975	Plan 1976
Stores—beginning of year	212	224
New stores added	13	18
Conversions/transfers	9	(4)
Stores closed	10	8
Stores—end of year	224	230
Average age (years)	7	
Store area		
(average square feet)	16,200	
(range, square feet)	5,900-71,400	

Osco merged with Jewel in 1961, at the time operating 31 stores in the Midwest. Today Osco operates 224 stores serving customers in the East, Midwest, Middle South and Northwest. Of these units, 138 are located with a Jewel, Star, Eisner or Buttrey supermarket. In the fall of 1975, Osco Drug, Inc. was reorganized as Jewel's one general merchandise company with four divisions: Osco National, Osco Chicagoland, Republic Lumber and Turn*Style.

TURN*STYLE	1975	Plan 1976
Stores—beginning of year	28	24
New stores added	1	—
Conversions/transfers	(5)	4
Stores closed	—	—
Stores—end of year	24	28
Average age (years)	6	
Store area		
(average square feet)	103,200	
(range, square feet)	85,200-121,900	

Turn*Style became one of the Jewel companies in 1962 with four Boston stores. At the close of fiscal 1975, it operated 24 stores in the Midwest. These stores average 103,000 square feet and combine self-service mass merchandising with promotional pricing. Turn*Style became a division of Osco Drug, Inc. in the fall of 1975.

REPUBLIC LUMBER	1975	Plan 1976
Stores—beginning of year	5	5
New stores added	—	1
Stores closed	—	1
Stores—end of year	5	5
Average age (years)	5	
Store area		
(average square feet)	37,800	
(range, square feet)	21,000-80,100	

Republic joined Jewel in 1972. Republic sells lumber and home improvement supplies at its five Chicagoland locations. Republic became a division of Osco Drug, Inc. in the fall of 1975.

Star Market Co.

	1975	Plan 1976
Stores—beginning of year	61	61
New stores added	1	1
Stores closed	1	1
Stores—end of year	61	61
Average age (years)	9	
Store area		
(average square feet)	28,800	
(range, square feet)	16,700-48,300	

Star Markets, a Jewel company since 1964, serves four New England states. Respected throughout New England for unusual service, fresh produce and fish, Star stores combine the efficiency of a supermarket with the satisfaction of personal customer service.

White Hen Pantry

	1975	Plan 1976
Stores—beginning of year	223	217
New stores added	7	2
Stores closed	13	6
Stores—end of year	217	213
Average age (years)	4	
Store area		
(average square feet)	2,500	
(range, square feet)	1,000-7,100	

The White Hen Pantry division developed from within Jewel Companies in 1965. Convenience food shopping is now provided through 217 stores in a variety of locations ranging from cities like Milwaukee, Boston and Chicago to smaller towns in Illinois and Wisconsin. Independent owner-operator families run most of these stores.

The Jewel Board of Directors

Shortly, each shareholder will be asked to vote in person or by proxy for Jewel Directors. Since its members will serve as shareholder representatives, it seems timely and appropriate to describe both philosophically and practically the nature and the work of Jewel's Board. Shown on these pages are the non-management members of Jewel's Board. A full list of the members of the Board of Directors is found on page 30.

The Jewel Board of Directors is legally and morally responsible to watch over and represent the long-term interests of Jewel shareholders. It is responsible for the selection and performance of Jewel's management—as distinguished from the responsibility for managing Jewel. To fill such a role, the work of the Jewel Board has been structured to acquaint independent outsiders with the inside plans, programs, successes and failures of the Company.

The fact that 8 of the 14 Jewel Directors have never been members of Jewel's management is no accident. We strongly believe that a majority of our Directors should be outside directors so that an independent overview of Jewel management is always present. As we admire a system of checks and balances in our political system, we look for it, too, in our corporate system.

The Jewel Board works to fulfill its responsibilities by concentrating its attention on certain key aspects of the Company. These include:

- Monitoring management's performance against plans and forecasts,
- Reviewing the objectives and strategies of the business,
- Reviewing and approving the Company's three-year investment and growth plans and related financial goals,
- Determining how the proceeds of the business will be shared between our two forms of profit sharing—dividends for shareholders and retirement programs for Jewel people,
- Monitoring the ethics of the Company,
- Monitoring the strength, diversity and attitudes of Jewel human resources,
- Maintaining a close contact with Jewel's external and internal auditors to assure the maintenance of adequate financial controls and the authenticity of Jewel's financial statements, and
- Determining the compensation of Jewel's senior levels of management.

A Talented Board

A Board of Directors can contribute little if it acts minimally as only a necessary legal entity or can contribute much if it acts as a truly diverse group of informed and interested counselors, advisors and directors of management. Jewel constantly strives to reach the latter goal. We are proud of the talent on our Board. We are proud of the attention paid by Board members to Jewel's affairs.

Of the ten outside Directors serving on

Barbara Scott Preiskel

Barbara Scott Preiskel, a Jewel Director since 1973, is Vice President and Legislative Counsel for the Motion Picture Association of America. She was a member of the President's Commission on Obscenity and Pornography from 1968-1970 and is a recipient of the Meritorious Award from the National Association of Theatre Owners and the Wellesley College Alumnae Achievement Award. Mrs. Preiskel is Chairman of the Board of Directors of Wiltwyck School, a member of the Board of Directors of the Federation of Protestant Welfare Agencies, the New York Philharmonic, Textron, Inc. and Amstar, Inc. At right, she is pictured in the screening room at the Motion Picture Association of America's Washington, D.C. offices.

Richard B. Ogilvie

Richard B. Ogilvie, Jewel Director since 1973, is a partner with the law firm of Isham, Lincoln & Beale. He served as governor of Illinois from 1969-1973. His career in public service includes service as an Assistant United States Attorney, as special assistant to the United States Attorney General, as Sheriff of Cook County and as President of the Board of Commissioners of Cook County, Illinois. Mr. Ogilvie is also a director of C.N.A. Financial, Inc., Fansteel, Inc., the Chicago Board of Trade Options Exchange and the Heitman Realty Fund. He is also active in a number of civic, charitable and religious organizations. Mr. Ogilvie is shown at right in his Chicago law office.

Silas S. Cathcart

Silas S. Cathcart, Chairman, Illinois Tool Works, Inc., has been a Jewel Director since 1967. Illinois Tool Works (ITW) is an international manufacturer of fasteners, tools, electronic components and plastic packaging products. Other companies of which Mr. Cathcart is a director are: General Electric, Quaker Oats, Northern Trust, American Hospital Supply Corporation and A. B. Dick. Below, at the corporation's Chicago offices, Cathcart poses by a map showing ITW's worldwide locations.

Jewel's Board, two are attorneys, two are chairmen of diversified and multi-national businesses whose problems and challenges are often similar to Jewel's, one heads a leading international advertising and communications firm, two are from academia with special interests in business planning and business ethics, one is an outstanding and nationally recognized home economist and two are former Chairmen of Jewel. Jewel avoids any relationship, direct or indirect, with any of its outside Directors that creates conflicts of interest in fact or in appearance.

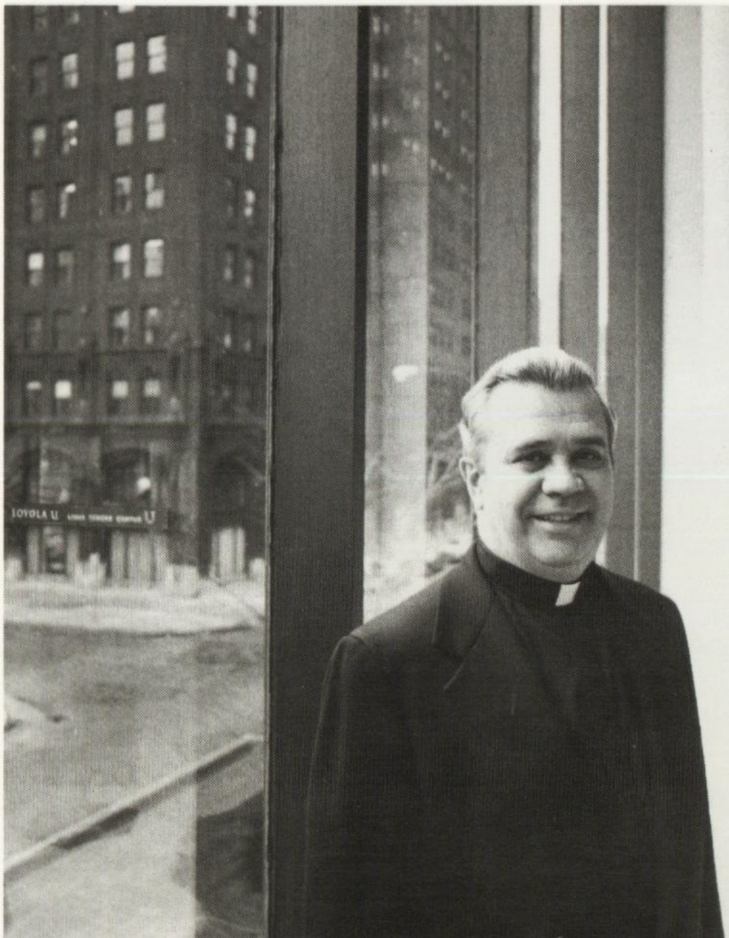
Directors meet quarterly and dates are set sufficiently in advance to assure maximum attendance at Board meetings. Over the years, Director attendance has been virtually 100%. Directors retire from the Board if they will reach age 70 during the year in which they would otherwise stand for re-election.

An Informed Board

We believe it essential to communicate regularly and frequently with Jewel Directors. All Directors receive a weekly newsletter designed to keep them and all officers of the Jewel operating companies informed of sales, personnel changes, operating policy changes and other internal and external events influencing the Company. Every four weeks these newsletters contain summary information relating to sales, earnings and return on investment for each division of the Company. In addition, and in advance of each Directors' meeting, a detailed *Management Report* is forwarded to each Director. This includes separate reports prepared by the presidents of each operating division of Jewel which detail operating, merchandising, financial and administrative results of the preceding quarter. Thus, Board members have a direct link with the presidents of our various com-

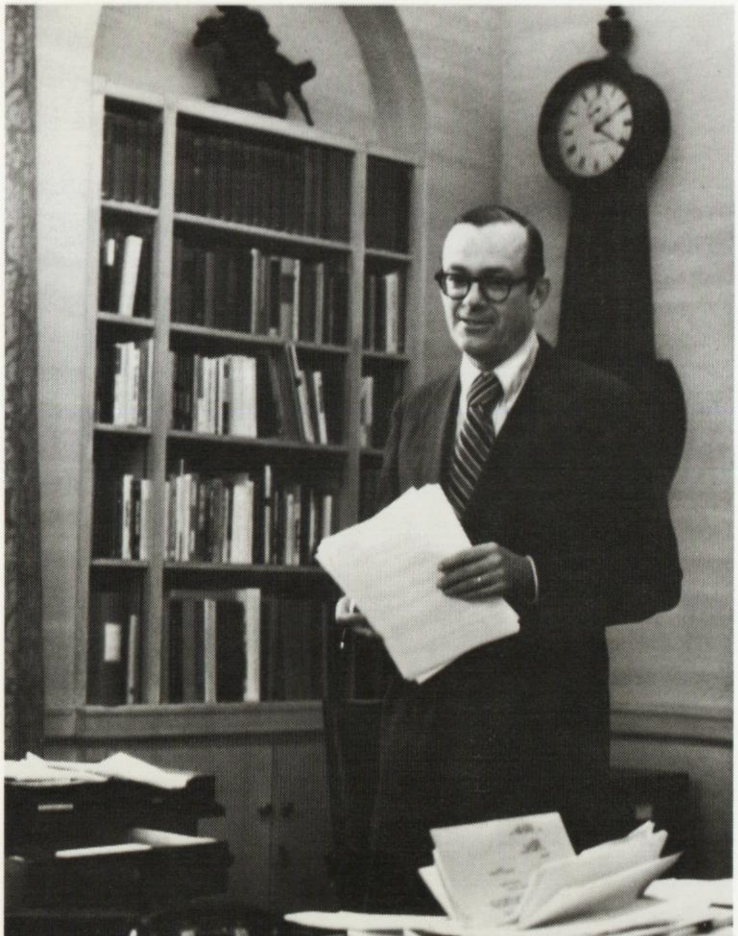
Raymond C. Baumhart, S.J.

Reverend Raymond C. Baumhart, S.J., President of Loyola University of Chicago, has been a member of Jewel's Board of Directors since 1973. The only clergyman to receive a Doctor of Business Administration degree from Harvard, Father Baumhart has written and consulted extensively on the ethics and social responsibilities of business. He serves on the Council of Better Business Bureaus. He has served as a consultant to General Motors Corporation and the National Conference of Christian Employers and Managers. He is a director of the Continental Illinois Corporation. Below, he stands across the street from Loyola's Lewis Towers Campus in downtown Chicago.



Lawrence E. Fouraker

Lawrence E. Fouraker joined the Jewel Board of Directors in 1974. He has been Dean of the Harvard University Graduate School of Business Administration since 1970. Dean Fouraker is a specialist in international business and a pioneer in the development of experimental economics. He is a director of Citicorp, the New England Mutual Life Insurance Company, RCA Corporation, R. H. Macy & Co., Inc., the Gillette Company, the International Executive Service Corps, Texas Eastern Transmission Corporation and is a member of the Corporation of the Massachusetts General Hospital. Below, Fouraker is shown in his offices at Harvard.



panies. The report also includes comparisons of individual company and consolidated results for the latest quarter and year-to-date, with explanations of variances from plans and from the prior year. The report generally amounts to 100 or so pages and is valued by Directors and by management as a highly useful communication vehicle.

Because our Directors receive a continuous flow of information throughout the year, supplemented by not infrequent telephone contact, Board meetings are not a management reporting session but are largely devoted to responding to observations and discerning questions of the outside Directors relating to the business, social, ethical and legal conduct of Jewel and the environment in which it operates. On the day of each Directors' meeting, the management of a major segment of the Company typically makes a special in-depth presentation to the Directors.

Annually, Jewel's Chairman and President meet alone with outside Directors to review their thoughts on management succession. Discussions at this meeting center on both long-term succession plans and immediate succession strategies in the event of an unexpected development. This special meeting follows a similarly structured meeting of the Chairman and the President with the senior officers of the Company.

An annual presentation for approval by the Directors of Jewel relates to the growth program for the Company for the following three years. This meeting is preceded by a special report forwarded to Directors which details projections of sales, earnings, resource allocation, financial position, sources and uses of funds and return on investment for each Jewel company and in consolidation for each of the ensuing three years.

Board Committees

The Board structure includes four standing committees: a Salary and Employee Benefits Committee, an Audit Committee, an Executive Committee and a Finance Committee. These committees strengthen the functioning of the Board by allowing increased attention to be focused on specific areas of the Board's responsibilities plus freeing the Board as a whole to concentrate on key issues of business opportunities and planning.

The Salary and Employee Benefits Committee, consisting solely of non-management Directors, has the responsibility of approving cash compensation levels for the upper-level management people of the Company. The committee sets the compensation level of the Company's Chairman and President. Additionally, it approves all major benefit programs of the Company including stock options, contingent compensation and the Company's retirement programs.

The Audit Committee, also consisting solely of non-management Directors, is responsible for the annual selection of the Company's independent auditors. It reviews the planned scope of the independent auditors' examination, as well as the audit programs developed by the Company's internal audit organization. It also

Karl D. Bays

Karl D. Bays became a Jewel Director in 1975. He is Chairman and Chief Executive Officer of American Hospital Supply Corporation, an international manufacturer and distributor of health products and services. Mr. Bays is also a director of the Nortrust Corporation, the Northern Trust Company, International Harvester Company, Lake Forest Hospital and a Trustee of Duke and Northwestern Universities. He is shown here with some intravenous fluid bottles manufactured at the Irvine, California plant of American Hospital Supply Corporation's McGaw Laboratories Division.

meets separately with the responsible partners of the Company's independent audit firm to assure that the auditors have received the full cooperation of management. Annually, corporate management conducts a survey throughout its operating companies and within its corporate offices designed to bring to its attention any possible conflict of interests in dealing with suppliers of goods and services, governmental agencies and others not directly associated with the business. This survey is reviewed by the Audit Committee.

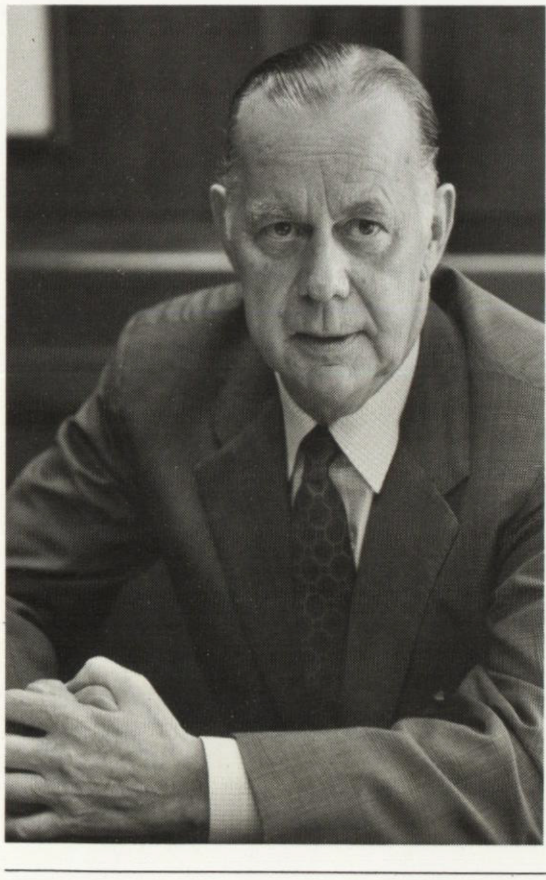
The Executive Committee, consisting of one outside Director and four management Directors, provides flexibility for action between Board meetings as the committee is empowered to act for the full Board. As a matter of practice, the Executive Committee does not approve matters of significance unless authorized to do so at a previous Board meeting or by a telephone poll of Directors. All actions of this committee are subsequently ratified by the Directors at a regular Board meeting.

The Finance Committee is responsible for the development of financial strategies of the Company and for recommending changes in capitalization of the Company. It also considers methods to be employed for obtaining external funds for the Company when this is required. All actions are subject to Board ratification. It also reviews and approves all capital expenditures and lease obligations proposed by Jewel operating companies above a minimum amount and within the limits approved by the full Board in connection with its annual approval of the Company's investment and growth programs.

A Director's Challenge

The acceptance of responsibility as a director of any corporation presents considerable challenges. It is impossible for a director to be involved in day-to-day operations of a company. Yet, he or she must develop a feel for the success of those operations as measured against potential, the existing social and business climate and other factors. It is essential for a truly informed director to have input about a company from a variety of sources; yet, that is not easily achieved. Successful individuals of high achievement offer the type of perspective, counsel and advice needed by any company; but the demands on their time are enormous. The legal responsibilities of a director are large in scope. We believe that nothing offers a director more assurance than an open management operating with the highest standards of integrity and objectivity.

A board with a dominant influence of strong, able and experienced outside directors adds a major strength to a company. Jewel is fortunate to have such a Board of Directors.

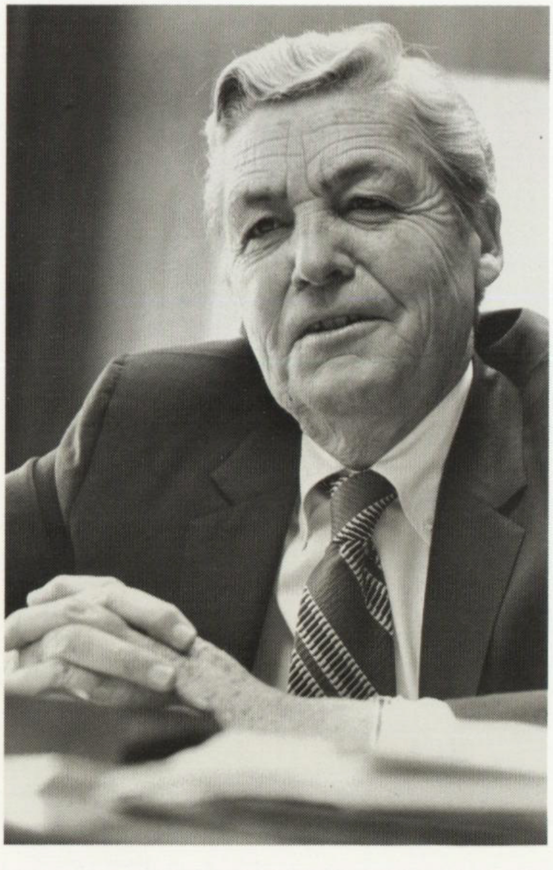


Franklin J. Lunding

Franklin J. Lunding, former Jewel President and Board Chairman, has been on the Board of Directors since 1942. He retired from active management at the end of 1971 but still serves Jewel as Chairman of the Committee on Salaries and Employee Benefits of the Board of Directors and as a Trustee of the Jewel Companies' Investment Trust.

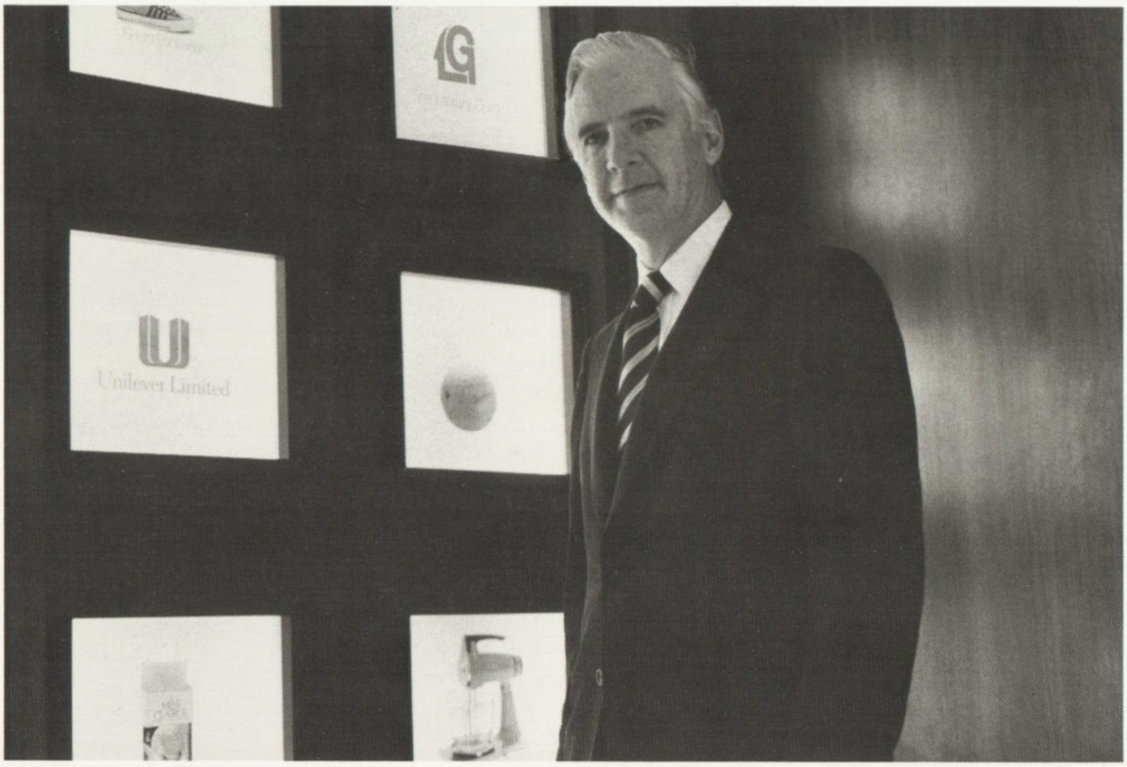
George L. Clements

George L. Clements, a retired Board Chairman and President of Jewel, was first elected to the Board of Directors in 1948. Clements also serves as director of Northern Illinois Gas and Universal Oil Products. He has been a director of the Super Market Institute, the Chicago Association of Commerce, the Illinois State Chamber of Commerce and is a former Chairman of the Board of the National Association of Food Chains.



Helen L. Hilton

Helen LeBaron Hilton was elected to Jewel's Board of Directors in 1971. Dr. Hilton is Dean Emeritus of the College of Home Economics and Retirement Counselor at Iowa State University and has held offices in the American Home Economics Association, the Land-Grant Association and the Association of Administrators of Home Economics and is a director of Johnson Wax. She has served as a member of the Ames City Council, and as Chairman of the Mary Greeley Hospital Board and the Ames Visiting Nurse Board. Dr. Hilton is pictured above in front of a College of Home Economics building at Iowa State University.



Arthur W. Schultz

Arthur W. Schultz, a member of Jewel's Board of Directors since 1973, is Chairman of the international advertising agency of Foote, Cone & Belding Communications, Inc. Schultz is a Trustee of the Art Institute of Chicago and a director of the Lyric Opera and the Better Business Bureau of Chicago. He is a Director of the American Association of Advertising Agencies. He has been president of the Cook County School of Nursing and of the Welfare Council of Metropolitan Chicago and a director of the Chicago Crime Commission and the Community Fund. Above, Schultz is shown in his Chicago offices near a partial display of the firm's accounts.

Milwaukee Has a Grand Bazaar

This new 50,000 sq. ft. Grand Bazaar in Milwaukee is one of 13 Jewel Food Stores now serving customers in the Milwaukee market. The Bazaar concept is new to Milwaukee, but Jewel included a touch of old Milwaukee—the famous Meurer name in bakery goods. All of the Jewel stores in the Wisconsin market include a Meurer bakery.

Star Bakes Its Own

Star opened its first in-store bakery in 1975. Baked goods, including tarts, donuts, pies, breads and rolls are prepared on the premises, assuring Star customers the freshest in breads and pastries.

New Gary Store Adds Jobs

Jewel Food Stores opened a 35,000 square foot store in Gary, Indiana in February, 1976. Mayor Richard Hatcher was on hand for the ribbon cutting ceremonies and commended Jewel for adding to its facilities in the Gary market, creating 125 new jobs and using many local minority contractors for most of the new store's construction.

Jewel Food Stores, Osco and Turn∗Style, Partners at One Location

Open around the clock, a 65,000 sq. ft. Grand Bazaar at 87th and the Dan Ryan in Chicago offers inner-city residents a convenient shopping experience whatever their schedules. This Jewel partnership also includes a 26,000 sq. ft. Osco drug store and a 100,000 sq. ft. Turn∗Style.

Feedback on Hot Lunches

Wilma Gunn, customer service representative for MFC, takes an informal survey in a Chicago school lunchroom to get student comments on MFC's hot lunch menus.

Park Works for Others, Too

Park Corporation is now manufacturing products for more than 200 firms outside the Jewel family of companies.

Management's Analysis of Earnings

1975 Compared to 1974

Sales increased 8.4% over 1974 reflecting continued inflation, though at a lesser rate than experienced in 1974. Approximately one-half of the gain related to increased sales in existing stores with the balance of the sales increase relating to new facilities. Cost of goods sold, which consists principally of product costs, increased 9.5% which is attributable to higher product costs. The decline in gross margins is a result of the intense competitive food price activity in Chicago as discussed more fully on page 5.

Selling, general and administrative expenses increased 7.1%, reflecting increased employment costs and higher store occupancy costs, particularly utility expenses.

Jewel's equity in the net earnings of Aurrera, S.A., a 48.9% owned diversified Mexican retailer, increased almost 40% over 1974. A discussion of this investment appears on page 4.

Interest expense of Jewel Companies, Inc. decreased 19% which is the result of lower interest rates during 1975. Interest expense incurred by the Company's affiliated real estate corporations increased 10% because of additional financing for new stores opened during the year.

Provision for income taxes decreased 35%. The principal reason for this decline was lower domestic earnings. Tax benefits of investment tax credits were comparable dollarwise between the two years, but had a greater impact on the 1975 effective tax rate. Utilization of foreign tax credits reduced income taxes for the current year by approximately 10%.

Net earnings for the year declined 5%. Major factors, positive as well as negative, are discussed in the 1975 Report from Jewel's Chairman and President beginning on page 3.

1974 Compared to 1973

Sales increased 17.1% over 1973 with each Jewel operating company contributing to this improvement. Approximately one-half of the gain related to higher selling prices, with the remainder representing additional volume generated by existing and new retail facilities. Cost of goods sold, which consists principally of product costs, increased 16.7% which is attributable to the higher sales levels and product costs. Other costs which have shown substantial increases are warehousing and transportation, the latter category reflecting higher fuel prices.

Selling, general and administrative expenses increased 20.1%. While a portion of this increase relates to new retail facilities, the major increases within this category were higher employment costs and store occupancy costs.

Interest expense on obligations of Jewel Companies, Inc. increased 47.7% reflecting higher interest rates (33% above 1973) and higher inventory levels (averaging 19% above 1973) primarily because of increased product costs. Interest expense incurred by the Company's affiliated real estate corporations increased 17.1% because of additional financing for new stores opened this year.

Provision for income taxes decreased 2.7% resulting from higher 1974 investment tax credits of $410,000.

Net earnings increased 2.2%. In summary, reduced earnings from the prior year for Turn*Style and Republic Lumber and increased Corporate interest expense negatively impacted net earnings by 11%. This decline was offset by improved earnings results of Jewel's other operating companies.

Quarterly Data

	Total Sales (Thousands)		Net Earnings (Thousands)		Earnings Per Share		Dividends Paid Per Common Share		Common Stock Price Range Low-High	
Quarter	1975	1974	1975	1974	1975	1974	1975	1974	1975	1974
1st (12 weeks)	$ 602,322	$ 550,236	$ 4,881	$ 5,519	$ .43	$ .49	$ .3000	$ .2767	$20⅛–25⅞	$24⅛–29⅛
2nd (16 weeks)	851,654	774,004	7,080	8,891	.61	.78	.3000	.2767	19⅛–24	19¼–27⅝
3rd (12 weeks)	654,195	610,770	5,016	4,681	.44	.41	.3000	.3000	16⅞–21⅞	17¼–22½
4th (12 weeks)	709,583	663,903	11,715*	11,139	1.02*	.97	.3000	.3000	18⅞–23¼	16⅝–22¾
Total Year	$2,817,754	$2,598,913	$28,692	$30,230	$2.50	$2.65	$1.2000	$1.1534	$16⅞–25⅞	$16⅝–29⅛

*Includes $439,000 or $.04 per share related to utilization of excess foreign tax credits.

Summary of Significant Accounting Policies

Principles Applied in Consolidation

The consolidated financial statements include the accounts of Jewel Companies, Inc., its wholly-owned subsidiaries and its affiliated real estate corporations.

All significant intercompany transactions are eliminated.

Inventories

Inventories are valued at the lower of cost or market, with cost being determined on a first-in, first-out or average basis.

Investment in Aurrera, S.A.

The Company's investment in Aurrera, S.A. (Mexico), 48.9% owned, is carried at cost plus equity in undistributed earnings since acquisition.

The excess of cost over net assets acquired is recorded in the investment account. This amount ($14,750,000) is not being amortized because in the opinion of management there has been no diminution in value.

Equity in net earnings and dividends of Aurrera are translated at the current exchange rate, which has remained stable since the date of the Company's original investment.

The Company provides all taxes on earnings of its foreign affiliate expected to be repatriated. Taxes not provided on foreign earnings reinvested for indefinite periods amount to $2,400,000 at January 31, 1976 and $2,200,000 at February 1, 1975.

Property, Plant and Equipment

Property, plant and equipment are stated at cost. Depreciation is computed on the straight-line method for financial statement purposes and on accelerated methods for tax purposes. Leasehold improvements are amortized over the shorter of estimated physical life or the term of the lease. Useful lives approximate 37 years for buildings, 17 years for leasehold improvements, 10 years for equipment, 6 years for trucks and trailers and 3 years for passenger cars.

The Company maintains its properties in good and serviceable condition. The cost of maintenance and repairs which does not extend the life of the assets is charged against earnings while major enlargements, remodelings or improvements are capitalized.

The cost of property, plant and equipment is eliminated from the accounts at the time assets are sold or retired. Gains and losses on normal equipment dispositions are recorded in the accumulated depreciation account for the respective asset group. The cost of replacements is capitalized and depreciated over estimated useful lives.

Income Taxes

The Company provides for deferred income taxes resulting from timing differences in reporting certain income and expense items for tax purposes compared to their recognition in the financial statements. The major timing difference is depreciation expense. Amounts estimated to be paid in the ensuing year are transferred to Income Taxes Payable.

The Company recognizes the investment tax credit as a reduction in federal income tax expense in the year eligible equipment purchases are made.

Other Deferred Liabilities

Costs associated with the Company's contingent compensation plans and for claims incurred under the Company's self-insurance program are charged against current earnings. The portion of such costs estimated to be payable in the ensuing year is included in Current Liabilities with the balance included in Other Deferred Liabilities.

Pre-opening Costs

The Company charges all expenses incurred prior to the opening of a new retail unit or other facility against income as they are incurred.

Statement of Earnings

Jewel Companies, Inc.

	52 Weeks Ended Jan. 31, 1976	52 Weeks Ended Feb. 1, 1975
	(In thousands)	
Sales:		
Supermarkets	$2,065,879	$1,905,114
General merchandise stores	565,921	502,439
Other sales and revenues	185,954	191,360
	2,817,754	2,598,913
Cost of Doing Business:		
Cost of goods sold	2,252,222	2,056,341
Selling, general and administrative expense	514,753	480,647
	2,766,975	2,536,988
Operating Income	50,779	61,925
Equity in Earnings of Aurrera, S.A.	7,545	5,393
Interest Income	879	1,010
Interest Expense:		
Jewel Companies, Inc.	(9,627)	(11,825)
Real estate affiliates	(9,159)	(8,290)
Earnings Before Income Taxes	40,417	48,213
Income Taxes	11,725	17,983
Net Earnings	$ 28,692	$ 30,230
Earnings per Average Common Share Outstanding	$ 2.50	$ 2.65

The accompanying notes and summary of significant accounting policies are an integral part of the financial statements.

Report of Independent Certified Public Accountants

To the Shareholders and Board of Directors, Jewel Companies, Inc.

We have examined the consolidated statement of financial position of Jewel Companies, Inc. as of January 31, 1976 and February 1, 1975 and the related statements of earnings, shareholders' equity, and changes in financial position for the fifty-two week periods then ended appearing on pages 19 through 26, herein. Our examination was made in accordance with generally accepted auditing standards and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances. We have not examined the financial statements of Aurrera, S.A., a Mexican company in which Jewel has a 48.9% interest. Jewel's investment in Aurrera, S.A. constitutes 5.1% and 5.2% of Jewel's total assets as of January 31, 1976 and February 1, 1975, respectively. Jewel's equity in the net earnings of Aurrera for the fifty-two weeks ended January 31, 1976 and February 1, 1975 constituted 26.3% and 17.8% of Jewel's consolidated net earnings, respectively. The consolidated financial statements of Aurrera, S.A. for its fiscal years ended July 31, 1975 and 1974 were examined by other auditors whose report thereon has been furnished to us.

In our opinion, which as to amounts with respect to Aurrera, S.A. for its fiscal years ended July 31, 1975 and 1974 is based on the report of other auditors described above, the aforementioned financial statements present fairly the consolidated financial position of Jewel Companies, Inc. at January 31, 1976 and February 1, 1975, the results of its operations and the changes in its financial position for the fifty-two week periods then ended, in conformity with generally accepted accounting principles applied on a consistent basis.

TOUCHE ROSS & CO.

Chicago, Illinois
March 17, 1976

Statement of Financial Position

Jewel Companies, Inc.

	Jan. 31, 1976	Feb. 1, 1975
	(In thousands)	
Assets		
Current Assets:		
Cash	$ 29,064	$ 26,880
Marketable securities and certificates of deposit at cost which approximates market	8,305	6,807
Accounts receivable, less allowances ($2,432,000 and $1,757,000, respectively)	29,143	31,752
Inventories	216,067	208,042
Prepaid expenses and supplies	8,983	9,461
Total current assets	291,562	282,942
Investment in Aurrera, S.A.	39,194	38,651
Other Assets	3,722	3,329
Property, Plant and Equipment, at cost, less accumulated depreciation	435,373	424,261
	$769,851	$749,183
Liabilities		
Current Liabilities:		
Notes payable	$	$ 12,459
Accounts payable	94,964	91,717
Payrolls and other accrued expenses	90,294	70,507
Income taxes payable	1,379	5,058
Current maturities of long-term debt:		
Jewel Companies, Inc.	5,131	5,133
Real estate affiliates	6,251	5,665
Total current liabilities	198,019	190,539
Long-Term Debt, less current maturities:		
Jewel Companies, Inc.	98,008	115,493
Real estate affiliates	118,341	113,952
Deferred Income Taxes	44,163	35,847
Other Deferred Liabilities	10,515	8,672
Shareholders' Equity	300,805	284,680
	$769,851	$749,183

The accompanying notes and summary of significant accounting policies are an integral part of the financial statements.

Statement of Shareholders' Equity

Jewel Companies, Inc.

Two Years Ended Jan. 31, 1976	3-3/4% Cumulative Preferred $100 Par Value	Common Stock $1 Par Value	Treasury Stock	Retained Earnings
		(Dollars in thousands)		
Balance, Feb. 2, 1974				
—Shares authorized	31,500	25,000,000		
—Shares outstanding	31,500	11,237,559	(17,243)	
Total $262,728	$ 3,150	$ 72,260	$ (1,219)	$188,537
Issued to Profit Sharing Fund— 150,000 common shares		4,200		
Three-for-two common stock split		3,801		(3,801)
Net earnings for the year—1974				30,230
Cash dividends declared:				
Preferred stock—$3.75 per share				(56)
Common stock—$1.1767 per share				(13,421)
Treasury shares purchased— 248 preferred shares			(15)	
Common stock issued:				
Employee stock purchase plan— 39,711 unissued shares and 656 treasury shares		985	23	(6)
Stock option plan—450 shares		12		
Balance, Feb. 1, 1975 Total $284,680	3,150	81,258	(1,211)	201,483
Net earnings for the year—1975				28,692
Cash dividends declared:				
Preferred stock—$3.75 per share				(53)
Common stock—$1.20 per share				(13,752)
Treasury shares purchased— 713 preferred shares			(36)	
Treasury shares retired— 15,000 preferred shares	(1,500)	407	1,093	
Common stock issued:				
Employee stock purchase plan— 61,723 shares		1,272		
Stock option plan—100 shares		2		
Balance, Jan. 31, 1976 Total $300,805	$ 1,650	$ 82,939	$ (154)	$216,370
—Shares authorized(1)	16,500	25,000,000		
—Shares outstanding	16,500	11,489,543	(2,548)(2)	

(1) In June, 1975, the Company's Certificate of Incorporation was amended to create a class of junior cumulative preferred stock designated as Cumulative Preferred Stock, Issuable in Series, Par Value $1 Per Share, in the amount of 2,000,000 shares. At January 31, 1976, none of the shares had been issued.

(2) These preferred shares were acquired to meet the sinking fund provisions of the issue, which require full retirement by 1985. Sinking fund requirements are satisfied through 1979.

Common stock shares and dividends per common share have been adjusted to reflect the 3-for-2 split in July, 1974.

The accompanying notes and summary of significant accounting policies are an integral part of the financial statements.

Statement of Changes in Financial Position

Jewel Companies, Inc.

	52 Weeks Ended Jan. 31, 1976	Feb. 1, 1975
	(In thousands)	
Source of Funds—		
From operations:		
Net earnings	$28,692	$ 30,230
Charges and (credits) not affecting funds:		
Depreciation and amortization	42,444	37,026
Deferred taxes and other deferred liabilities	10,159	5,581
Equity in earnings of Aurrera, S.A. in excess of dividends received	(573)	(5,442)
	80,722	67,395
From financing:		
Issuance of capital stock	1,238	5,199
Long-term debt:		
Jewel Companies, Inc.:		
New debt		20,000
Repayments	(17,485)	(5,169)
Real estate affiliates:		
New debt	11,040	20,858
Repayments	(6,651)	(5,247)
	$68,864	$103,036
Use of Funds—		
Dividends to shareholders	$13,805	$ 13,477
New property, plant and equipment (net):		
Jewel Companies, Inc.	43,629	55,065
Real estate affiliates	9,927	22,760
Increase (decrease) in investment and other assets	363	(14)
Increase in working capital	1,140	11,748
	$68,864	$103,036
Change in Working Capital—		
Increase (decrease) in current assets:		
Cash	$ 2,184	$ 8,917
Marketable securities and certificates of deposit	1,498	(5,228)
Accounts receivable	(2,609)	6,504
Inventories	8,025	20,633
Prepaid expenses and supplies	(478)	580
	8,620	31,406
Increase (decrease) in current liabilities:		
Notes payable	(12,459)	12,459
Accounts payable	3,247	(2,552)
Payrolls and other accrued expenses	19,787	9,554
Income taxes payable	(3,679)	(1,790)
Current maturities of long-term debt	584	1,987
	7,480	19,658
Increase in working capital	$ 1,140	$ 11,748

The accompanying notes and summary of significant accounting policies are an integral part of the financial statements.

Notes to Financial Statements

Jewel Companies, Inc.

Property, Plant and Equipment

The Company's investment in property, plant and equipment consists of the following:

	Jan. 31, 1976	Feb. 1, 1975
	(In thousands)	
Buildings	$183,229	$175,564
Less allowance for depreciation	42,565	37,083
	140,664	138,481
Equipment and leasehold improvements	410,364	377,893
Less allowance for depreciation and amortization	187,639	161,718
	222,725	216,175
Land	71,984	69,605
	$435,373	$424,261

Short-Term and Long-Term Debt

Debt shown in the statement of financial position consists of the following:

	Jan. 31, 1976	Feb. 1, 1975
	(In thousands)	
Jewel Companies, Inc.		
Short-term Notes, 5.15% and 6.74% average rate	$ 27,649	$ 12,459
Commercial Banks:		
$40,000 Revolving Credit Agreement, at prime rate, through 1978	–	40,000
$60,000 Credit Agreement, at prime rate, convertible to a term loan in 1979 with a final maturity in 1983	–	–
4.50%, due in annual installments of $1,250 through 1987	15,000	16,250
Insurance Companies:		
6.875%, due in annual installments of $1,500 through 1993	27,000	28,500
7.875%, due in annual installments of $1,500 through 1994	28,500	30,000
All other, 5.34% and 5.25% average rate, due through 1997	4,990	5,876
Total debt	$103,139	$133,085
Classified as follows:		
Current liabilities	$	$ 12,459
Current maturities	5,131	5,133
Long-term maturities	98,008	115,493
Total debt	$103,139	$133,085

	Jan. 31, 1976	Feb. 1, 1975
	(In thousands)	
Real estate affiliates, mortgages, 7.90% and 7.74% average rate, due through 2004:		
Current maturities	$ 6,251	$ 5,665
Long-term maturities	118,341	113,952
Total debt	$124,592	$119,617

Long-term debt at January 31, 1976 matures as follows:

	Jewel Cos., Inc.	Real Estate Affiliates
	(In thousands)	
1977	$ 5,144	$ 6,777
1978	5,311	6,702
1979	8,718	6,697
1980	10,810	6,799
1981 and thereafter	68,025	91,366
	$ 98,008	$118,341

On September 15, 1975, the Company entered into a $60,000,000 credit agreement with a number of its principal banks which replaced the $40,000,000 revolving credit agreement dated January 25, 1974. The agreement provides for interest at the prime rate on a floating basis until February 10, 1978 and at the prime rate plus ¼% for the year ending February 10, 1979. The terms of the agreement also provide for a commitment fee of ½% per annum on the daily unused portion. On or before February 10, 1979, the Company may convert all, or any part of, the outstanding credit loans into term loans payable over 3½ years bearing interest at the prime rate plus ½%. On January 31, 1976, $27,649,000 was classified as long-term debt all of which was outstanding short-term notes supported by the above agreement based on the Company's expectation that at least this amount will be continuously outstanding during the ensuing year in the form of either short-term notes or through the credit agreement.

Lines of credit are maintained with commercial banks ($58,400,000 at January 31, 1976) to assure the availability of adequate short-term funds to meet seasonal borrowing requirements. The Bank lines are supported by cash balances at the line banks. The arrangements with the banks are informal in nature; the supporting balances are largely generated from the normal time lag in presentation of company checks for payment and from receipts in process and do not restrict the availability of such supporting funds in meeting the Company's daily requirements.

Additional bank credit was also available through the unused portion of the aforementioned $60,000,000 credit agreement.

At January 31, 1976, the Company had bank credit arrangements amounting to $118,400,000. The maximum amount outstanding on any day during 1975 was $90,442,000 and averaged $67,249,000 on a weekly basis. The average weekly interest rate on these borrowings was 6.4%.

The Company's loan agreements provide restrictions as to the maintenance of working capital (as defined) and payment of cash dividends on common stock. As of January 31, 1976, net working capital was approximately $39,000,000 in excess of minimum requirements and retained earnings not restricted for cash dividends were $89,000,000.

The long-term debt of the real estate affiliates is not a direct obligation of Jewel Companies, Inc., but is secured by the assignment of lease agreements between Jewel and the affiliates and first liens against real properties having a book value of approximately $157,000,000 at January 31, 1976 as compared to $151,000,000 at February 1, 1975. The debt will be fully amortized during the fixed term of each lease, generally 20 years.

Income Taxes

The provision for income taxes consists of the following:

	52 Weeks Ended Jan. 31, 1976	52 Weeks Ended Feb. 1, 1975
	(In thousands)	
Federal		
Currently payable	$ 6,068	$14,295
Deferred	7,546	5,053
Investment tax credit	(3,390)	(3,314)
	10,224	16,034
State and Local		
Currently payable	837	1,615
Deferred	664	334
	1,501	1,949
	$11,725	$17,983

Deferred income taxes result from timing differences in the recognition of certain income and expense items for tax and financial statement purposes. The principal timing difference, depreciation, accounts for $7,246,000 of the deferred income tax provision in 1975 and $6,075,000 in 1974.

It is presently anticipated that new deferrals in the succeeding three years will equal, or be greater than, the amount of prior deferrals which will become currently payable.

During the year, the Internal Revenue Service substantially completed its examination of the Federal income tax returns of the Company and its subsidiaries for fiscal years 1971 and 1972 except for a limited number of unresolved issues which are not material. Also during the year, the Internal Revenue Service commenced an examination of the returns filed for fiscal years 1973 and 1974. In the opinion of management, adequate provision has been made for all years not yet examined or cleared by the Internal Revenue Service.

Federal income tax expenses for 1975 and 1974 were less than the statutory corporate tax rate. A reconciliation of the statutory tax rate with the effective tax rate follows:

	1975	1974
Statutory tax rate	48.0%	48.0%
Investment tax credit	(8.7)	(7.2)
Utilization of excess foreign tax credits	(3.1)	
Other	(.6)	(.5)
Effective tax rate on U.S. income	35.6	40.3
Effect of foreign earnings	(9.3)	(5.6)
Effective tax rate	26.3%	34.7%

Stock Purchase Plans

At January 31, 1976, there were 1,083,523 shares of common stock reserved of which 797,591 were for Stock Options and 285,932 were for the Employee Stock Purchase Plan.

The following summary shows the changes in stock options:

	Stock Option Plan 1975	Stock Option Plan 1974
Options outstanding—beginning of year	760,450	603,900
Granted	196,000	267,250
Exercised	(100)	(450)
Expired	(249,850)	(110,250)
Options outstanding—end of year	706,500	760,450

	Jan. 31, 1976	Feb. 1, 1975
Options exercisable	356,850	305,900
Shares available for grant	91,091	37,241

Outstanding options were granted at prices ranging from $16.88 to $43.33 per share, the fair market value on the date of grant. Qualified Stock Options become exercisable in equal installments over a four-year period and expire five years from the date of grant. Non-qualified Stock Options become exercisable in one year from the date of grant and expire in ten years.

The option price is set at fair market value on the date granted; hence, there is no compensation to be charged to the income

account. All of the proceeds from the exercise of stock options are added to the Common Stock Account (less cost, if treasury shares are issued).

Lease Commitments

The Company leases certain of its retail and other locations under firm-term lease arrangements ranging from 5 to 25 years (principally 15 years for retail locations), plus a number of varying renewal options. Rentals for leased real properties (excluding those leased from real estate affiliates) were $27,025,000 in 1975 and $24,823,000 in 1974, after reduction for sublease income of $1,070,000 and $521,000, respectively. Included in net rental expense are $3,229,000 in 1975 and $2,822,000 in 1974 of rentals determined by sales volume. As of January 31, 1976, minimum rentals on all non-cancellable leases for leased real properties were as follows:

Year	Lease Expense	Sublease Income	Total
	(In thousands)		
1976	$26,112	$1,066	$25,046
1977	25,058	965	24,093
1978	24,333	928	23,405
1979	22,883	613	22,270
1980	22,010	463	21,547
1981-1985 (Per year)	18,663	175	18,488
1986-1990 (Per year)	12,305	56	12,249
1991-1995 (Per year)	3,503	18	3,485
After 1995 (Per year)	711		711

The debt content (present value) of real property lease commitments, net of non-cancellable subleases, amounts to approximately $139,000,000 at January 31, 1976 and $133,000,000 at February 1, 1975. The debt content was determined by separating the aggregate annual rent commitments into debt and interest using the aggregate commitments under net leases and 75% of aggregate commitments under gross leases at interest rates appropriate for their respective starting dates. (Approximately 25% of gross base rentals cover real estate taxes, maintenance and insurance costs borne by landlords; such costs are assumed by Jewel under net leases.) Interest rates ranged from 4.75% to 9.45%; weighted average rate was 7.75%.

Certain of the above leases (principally those with firm-term lease periods of more than 20 years) could be considered non-capitalized financing leases as defined by the Securities and Exchange Commission. The effect of not capitalizing such leases is considered insignificant (present value is less than 5% of total long-term debt and shareholders' equity). If these leases had been capitalized, the effect on net earnings would be less than 1%.

Costs and Expenses

Set forth below is a comparative summary of significant costs and expenses:

	1975	1974
	(In thousands)	
Depreciation and amortization		
Jewel Companies, Inc.		
Buildings	$ 1,595	$ 1,298
Equipment	36,577	31,919
	38,172	33,217
Real estate affiliates		
Buildings	4,272	3,780
Equipment		29
	4,272	3,809
	$42,444	$37,026
Taxes, other than income		
Payroll	$25,121	$22,644
Property	12,326	11,124
Other	2,426	2,221
	$39,873	$35,989
Rents		
Real estate	$27,025	$24,823
Personal property	4,490	4,101
	$31,515	$28,924
Advertising	$33,728	$29,893
Retirement benefit plans		
Profit sharing plans	$ 7,404	$ 9,398
Contingent compensation	1,288	1,259
Industry pension plans and other	2,475	1,905
	$11,167	$12,562

Profit Sharing and Retirement Costs

A majority of the Company's employees who meet service requirements are covered by profit sharing plans and trusts under which the Company makes annual contributions, determined by a formula related to earnings, to provide retirement benefits. The market value of these funds, which are held in trust apart from Company funds, was approximately $227,000,000 at the end of 1975 and $179,000,000 at the end of 1974. Retirement benefits are based on each participant's accumulated account credits representing his or her proportionate share of the trust funds. There are no unfunded retirement liabilities under these plans and, in the opinion of management, compliance with the Employee Retirement Income Security Act of 1974 will not significantly increase the Company's costs thereunder. Pursuant to collective bargaining agreements, the Company makes payments to industry pension plans for the purpose of providing retirement benefits to other employees.

Condensed Financial Statements-Aurrera, S.A.

(Unaudited)

Statement of Financial Position

	January 31, 1976	January 31, 1975
	(In thousands)	
Aurrera		
Current assets	$ 71,427	$ 49,544
Properties, net	82,869	81,503
Total assets	154,296	131,047
Current liabilities	86,037	61,921
Long-term debt	7,633	12,169
Other long-term liabilities	1,160	814
Net assets	$ 59,466	$ 56,143
Reconciliation to Jewel's investment		
Equity in book value of net assets	$ 29,079	$ 27,500
Equity in dividend declared	–	1,500
Equity per Aurrera statements	29,079	29,000
Adjustments to Jewel's accounting practices		
Cumulative income adjustments	2,087	1,623
Reorganization adjustments not recognized by Jewel	(6,722)	(6,722)
Excess of cash investment over net assets	14,750	14,750
Carrying value of investment	$ 39,194	$ 38,651

Statement of Earnings

	Year Ended Jan. 31, 1976	Year Ended Jan. 31, 1975
Aurrera		
Sales	$405,665	$289,050
Earnings before statutory profit sharing and income taxes	37,314	24,120
Statutory profit sharing	(2,995)	(1,724)
Income taxes	(16,239)	(10,960)
Net income - Aurrera statements	$ 18,080	$ 11,436
Reconciliation to Jewel's equity in net earnings		
Equity in net income per Aurrera statements	$ 8,841	$ 5,601
Adjustments to Jewel's accounting practices		
Depreciation/amortization adjustments	138	156
Tax timing differences and others	305	(20)
Dividend withholding tax provided	(1,739)	(344)
Equity in net income of Aurrera, S.A.	$ 7,545	$ 5,393

The financial statements of Aurrera, S.A. at January 31 are based upon audited financial statements as of July 31, the end of Aurrera's fiscal year, and unaudited financial statements for the period from August 1 to January 31. Certain adjustments are made to conform the statements to Jewel's accounting practices. Differences occur in depreciation/amortization policies, treatment afforded corporate reorganizations and recognition of tax effects of timing differences. In accruing its equity in the earnings of Aurrera, Jewel includes the results from August 1 to January 31 based on unaudited internal statements prepared consistent with the audited statements, and gives effect to adjustments necessary to determine income under accounting practices adopted by Jewel.

The exchange rate between the Mexican peso and U.S. dollar has been stable and no gains or losses have resulted from foreign currency transactions or translation of financial statements.

In addition to foreign corporate taxes on income, dividend distributions are subject to Mexican withholding taxes. Jewel provides such taxes on anticipated dividends attributable to current year's earnings. Under current tax laws, no additional U.S. income taxes are due on dividends received. Taxes not provided on foreign earnings reinvested for indefinite periods amount to $2,400,000 at January 31, 1976 and $2,200,000 at February 1, 1975.

The cost of Jewel's interest in Aurrera and predecessor companies is $14,750,000 in excess of the underlying net asset value. This amount is not being amortized.

Ten Year Review

(In thousands except per share figures)	1975	1974	1973
Operating Results			
Sales:			
Supermarkets	$2,065,879	$1,905,114	$1,631,361
General merchandise stores	565,921	502,439	438,080
Other sales and revenues	185,954	191,360	150,160
Total sales	2,817,754	2,598,913	2,219,601
Operating income (before interest and income taxes):			
Supermarkets	30,179	48,298	42,090
General merchandise stores	15,656	9,617	12,772
Other operating units	4,944	4,010	2,297
Total operating income	50,779	61,925	57,159
Foreign income	7,545	5,393	5,467
Interest income	879	1,010	529
Interest expense:			
Jewel Companies, Inc.	(9,627)	(11,825)	(8,008)
Real estate affiliates	(9,159)	(8,290)	(7,082)
Earnings before income taxes and extraordinary income	40,417	48,213	48,065
Income taxes	11,725	17,983	18,475
Earnings before extraordinary income	28,692	30,230	29,590@
Earnings retained	14,887	16,753	23,862
Depreciation and amortization	42,444	37,026	32,358
New property, plant and equipment (net):			
Jewel Companies, Inc.	43,629	55,065	55,013
Real estate affiliates	9,927	22,760	22,515
Financial Position			
Working capital	$ 93,543	$ 92,403	$ 80,655
Total assets	769,851	749,183	671,550
Long-term debt, less current maturities:			
Jewel Companies, Inc.	98,008	115,493	100,662
Real estate affiliates	118,341	113,952	98,341
Common shareholders' equity	299,410	283,214	261,237
Common Stock Information (Fiscal Year)*			
Earnings per common share	$ 2.50	$ 2.65	$ 2.63@
Dividends paid per common share	$ 1.20	$ 1.15	$ 1.11
Return on shareholders' average equity	9.8%	11.0%	11.8%@
Common dividends declared as % of net earnings	48%	44%	42%@
Equity per common share	$ 26.06	$ 24.78	$ 23.25
Common shares outstanding—average	11,452	11,381	11,217
Common stock price range—low-high	$16⅞-25⅞	$16⅝-29⅛	$18⅝-34⅛
Closing price year end	$ 21½	$ 22¾	$ 24⅞
Price earnings ratio (on average price range)	8.5	8.6	10.0@
Square Footage of Retail Stores (Total Space)			
Supermarkets	10,020	9,648	8,916
General merchandise stores	6,276	6,032	5,659
Other stores	845	866	843
Total at year end	17,141	16,546	15,418

†53-week year, other years 52 weeks
*Adjusted for stock splits
@Excludes extraordinary income of $6,746,000 or $.60 per share in 1973 and $1,199,000 or $.11 per share in 1972

1972†	1971	1970	1969	1968	1967†	1966
$1,464,962	$1,332,480	$1,218,695	$1,115,000	$1,020,753	$ 949,514	$ 808,403
406,138	353,638	292,372	234,258	192,868	173,540	135,311
138,194	129,131	122,403	120,298	124,053	125,941	116,423
2,009,294	1,815,249	1,633,470	1,469,556	1,337,674	1,248,995	1,060,137
41,160	38,851	37,636	33,358	31,803	26,568	24,918
10,697	7,563	8,722	8,213	7,045	6,340	4,117
1,740	4,131	4,075	4,308	3,652	2,722	3,254
53,597	50,545	50,433	45,879	42,500	35,630	32,289
4,271	4,081	3,272	1,129	239	—	—
404	529	880	746	598	553	616
(5,577)	(5,216)	(5,348)	(3,453)	(2,406)	(2,138)	(1,759)
(5,994)	(4,681)	(3,586)	(2,845)	(2,318)	(2,078)	(1,832)
46,701	45,258	45,651	41,456	38,613	31,967	29,314
18,034	18,550	21,614	19,905	18,471	14,297	12,838
28,667@	26,708	24,037	21,551	20,142	17,670	16,476
17,567	15,016	12,881	11,683	10,935	9,083	8,221
27,708	23,336	20,432	17,669	15,713	14,628	12,989
59,444	46,220	37,769	37,742	24,202	25,687	21,739
18,701	15,649	21,418	7,399	11,743	5,050	10,080
$ 55,487	$ 60,768	$ 79,432	$ 53,194	$ 64,827	$ 62,398	$ 64,621
578,238	519,962	486,912	406,493	349,241	313,783	285,269
77,691	71,796	76,793	59,036	39,581	36,791	35,371
83,529	68,859	61,615	51,902	48,229	39,967	37,321
236,572	217,513	199,499	161,702	150,014	138,382	129,797
$ 2.56@	$ 2.40	$ 2.23	$ 2.15	$ 2.01	$ 1.75	$ 1.65
$ 1.09	$ 1.03	$ 1.00	$ .97	$ .90	$ .83	$ .80
12.5%@	12.7%	13.1%	13.5%	13.6%	12.7%	12.8%
43%@	44%	46%	45%	45%	48%	49%
$ 21.11	$ 19.51	$ 18.06	$ 16.15	$ 15.01	$ 13.86	$ 13.07
11,187	11,099	10,731	9,995	9,983	9,987	9,905
$27⅛–43⅛	$34⅜–44⅜	$24⅜–36½	$28⅝–37⅛	$20⅝–36⅜	$17¾–23⅜	$17 –28¾
$ 34⅛	$ 40⅜	$ 35⅛	$ 30⅜	$ 31½	$ 23⅛	$ 20⅝
13.7@	16.4	13.7	15.3	14.2	11.5	13.9
8,511	7,813	7,591	7,172	6,732	6,590	6,378
5,302	4,863	4,214	3,335	2,743	2,385	2,067
744	691	388	284	217	196	177
14,557	13,367	12,193	10,791	9,692	9,171	8,622

Directors of Jewel Companies, Inc.

Raymond C. Baumhart, S.J. President, Loyola University of Chicago

Karl D. Bays Chairman and Chief Executive Officer, American Hospital Supply Corporation

Harry G. Beckner President, Jewel Food Stores

Silas S. Cathcart Chairman, Illinois Tool Works Inc. (Fasteners, Tools, Electronic Components & Plastic Packaging Products)

Weston R. Christopherson President

George L. Clements Retired Board Chairman and President

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Helen L. Hilton Dean Emeritus of the College of Home Economics, Iowa State University

Franklin J. Lunding Of Counsel, Roan & Grossman (Attorneys)

Richard B. Ogilvie Partner–Isham, Lincoln & Beale (Attorneys)

Donald S. Perkins Chairman, Board of Directors and Chief Executive Officer; Chairman, Executive Committee

Barbara Scott Preiskel Vice President and Legislative Counsel, Motion Picture Association of America, Inc.

Arthur W. Schultz Chairman, Foote, Cone & Belding Communications, Inc. (Advertising Agency)

Howard O. Wagner Chairman, Finance Committee and Chief Financial Officer

Committees of the Board of Directors

Committee on Audits:	Executive Committee:	Committee on Salaries and Employee Benefits:	Finance Committee:
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K. D. Bays	H. G. Beckner	R. C. Baumhart	W. R. Christopherson
R. B. Ogilvie	S. S. Cathcart	G. L. Clements	G. L. Clements
B. S. Preiskel	W. R. Christopherson	L. E. Fouraker	D. S. Perkins
A. W. Schultz	H. O. Wagner	H. L. Hilton	

Corporate Officers

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Weston R. Christopherson President

Howard O. Wagner Chairman, Finance Committee

Richard E. George Executive Vice President, Finance

Lawrence Howe Executive Vice President and General Counsel

Clifford R. Johnson Executive Vice President Real Estate and Construction

John N. Balch Vice President and Treasurer

Thomas J. Byrne Vice President, Construction

Robert D. Jones Vice President, Public Affairs

Gene B. Kilham Vice President and Controller

Robert J. Sansone Vice President, Human Resources

Jacob J. Schnur Vice President and Assistant General Counsel

Weir C. Swanson Vice President, Personnel

Edward A. Wells Vice President, Planning and Development

Robert F. Berrey Secretary

Earl J. Barnes Assistant Secretary

Harry C. Hallowell Assistant Controller

Thomas P. Heneghan Assistant Controller

Charles E. McClellan Assistant Controller

Lawrence A. Metz Assistant Secretary

Oral Moody Assistant Secretary

Charles M. Moritz Assistant Treasurer

Annual Meeting The Annual Meeting will be held at 2:00 p.m. M.D.S.T. on Wednesday, June 16, 1976, at The First National Bank of Great Falls, 300 Central Avenue, Great Falls, Montana.

Transfer Agents Manufacturers Hanover Trust Company, 4 New York Plaza, New York, New York 10015.

Continental Illinois National Bank and Trust Company of Chicago, 231 South LaSalle Street, Chicago, Illinois 60604.

Registrars Bankers Trust Company, 16 Wall Street, New York, New York 10015.

The First National Bank of Chicago, One First National Plaza, Chicago, Illinois 60670.

Common Stock Listing New York Stock Exchange. Midwest Stock Exchange.

Corporate Office O'Hare Plaza, 5725 N. East River Road, Chicago, Illinois 60631.

Officers of the Jewel Companies

Brigham's

30 Mill Street
Arlington, Massachusetts
02174
President:
Joseph F. Grimes
Vice Presidents:
Gilles M. Gallant
Jerome P. Lavely
Daniel F. O'Connell
Norman H. Prendergast
Assistant Vice Presidents:
William F. Horgan
John F. Marchesseault

Buttrey Food Stores

601 Sixth Street, S.W.
Great Falls, Montana
59404
President:
Philip R. Palm
Vice Presidents:
Paul L. Beuthien, Jr.
Lester O. Eck
Lyle T. Gorman
Eugene D. Koon
Alvin J. Larson
Harold J. Lund
Robert F. Poole
John J. Quinn
Ronald L. Slusher
Andrew Veseth

Direct Marketing Division

Jewel Park
Barrington, Illinois 60010
President:
Betty M. McFadden
Group Vice Presidents:
Lance W. Devereaux
Herman T. Landon
Vice Presidents:
William J. Burmeister
John B. Elliff
Richard B. English
Alvin P. Jorgensen
Garry B. King
Howard G. Koorhan
A. Keith Pierson
Robert A. Woodsome

Eisner Food & Agency Stores

301 E. Wilbur Heights Road
Champaign, Illinois 61823
President:
David L. Diana
Vice Presidents:
Roy D. Brazelton
Adrian F. Brown
Donald E. Hadley
J. Patrick Johnston
William F. Kalbas
Richard E. Lebo
Samuel J. Parker
Martin A. Scholtens
Leland G. Wise
James T. Wixtead

Jewel Food Stores

1955 West North Avenue
Melrose Park, Illinois
60160
President:
Harry G. Beckner
Executive Vice Presidents:
Arthur T. Dalton
Walter Y. Elisha
Clifford R. Johnson
William E. Oddy
Ronald D. Peterson
Group Vice Presidents:
Robert P. Dorsher
Daniel E. Josephs
Dean R. Spencer
Louis V. Stadler
Vice Presidents:
Jane M. Armstrong
Herman J. Becker
Larry R. Belcaster
Richard H. Bevier
Joseph A. Browne
Joseph V. Bugos
James M. Chase
Marshall J. Collins
Andrew J. Cosentino
Francis P. Daleiden
Dean C. Danhour
Herbert A. Dotterer
Larry J. Fernstrom
Loren D. Galbraith
Thomas P. Green
James W. Grew
John R. Haugabrook
Alfred G. Jacobsma
Albert J. Kara
Jack T. Kyvik
Kenneth A. MacKenzie
Ralph W. Miller, Jr.
Robert A. Neslund
William H. Newby
Marjan L. Pederson
Gerald L. Poklop
W. Steven Rubow
Hans J. Schmucky
Harry L. Segal
John A. Shields
Raymond A. Stone
W. Charles Thor, Jr.
Ervin D. Thuerk
Frank J. Thuy, Jr.
Frank J. Tyska
James P. Walsh
Walter B. Wilson

Mass Feeding Corporation

2241 Pratt Boulevard
Elk Grove Village, Illinois
60007
President:
Thomas F. Harwood
Vice Presidents:
Guy A. Graham
K. Lee Guse
Edward W. McQuiston
Controller:
James P. O'Connor

Osco Drug, Inc.

Osco Drug Stores
Turn*Style
Republic Lumber
1818 Swift Drive
Oak Brook, Illinois
60521
President:
Richard G. Cline
Vice Presidents:
Edward F. Buron
Peter W. Cook
Robert E. Craighead
Harvey S. Durand
John Edwards
Jon T. Fuglestad
Ronald E. Grove
Gerald R. Haack
Glen R. Henricks
Richard C. Hilden
Donald C. Hoscheit
William M. Jacobs, Jr.
Max L. Jenkins
James A. Johnson
Michael S. Kaplan
Darrell L. Lewis
Byron K. Luke
Wayne O. Lynch
David L. Maher
Robert C. Nakasone
John H. O'Connell
Paul E. Pentz
Robert H. Quayle, III
Harold G. Raiman
Haven A. Ready
Francis P. Schliesmann, Jr.
John P. Spurlock
Adam W. Talarek
George V. Trumbull
Russell B. Wright
Herbert R. Young
Controller:
John L. Benner

Star Market Co.

625 Mt. Auburn Street
Cambridge, Massachusetts
02138
Chairman:
John M. Mugar
President:
James H. Henson
Group Vice Presidents:
Jack Der Avedisian
Richard Diran
Vice Presidents:
Haig Harotunian
Robert H. Jacobson
Richard P. Johnson
W. Bruce Krueger
Carmen Lanza
Raymond J. Larocca
David B. Moffatt
P. Neill Petronella
John A. Pini
H. Verne Powell
Walter F. Rajewski
Alan G. Rayen

White Hen Pantry

666 Industrial Drive
Elmhurst, Illinois 60126
President:
Jo H. Armstrong
Vice Presidents:
George S. Bovis
Robert B. Knight
Robert G. Robertson

1975 Annual Report

Jewel Companies, Inc.
O'Hare Plaza
5725 N. East River Road
Chicago, Illinois 60631